

## Undergraduate Federal and State Loan Guide

There are several types of student loans available to undergraduate students and the parents of dependent students. This guide will provide you with information on the different loans available to help fund your education at UCLA.

# Types of Loans

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There are several different types of loans available for undergraduate students and their families to help cover college costs.

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## Federal Direct Loans

Federal direct loans consist of low-interest subsidized (no interest while in school), unsubsidized loans (interest accrues while in school) and parent PLUS loans. All of these are financed by the U.S Department of Education.

Subsidized and Unsubsidized loans are borrowed by the student. Parent PLUS loans are borrowed by the parent.

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## California DREAM Loan

DREAM loans are available to California students who meet the application requirements for the California DREAM Act Application. Dream loan has the same interest rate as Federal Direct Subsidized Loan.

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## Private Student Loans

Private loans are available for both students and parents. These loans are offered by lenders independently of the Department of Education. Interest rates are credit based and repayment options will vary. Private loans are best utilized only if eligibility for Federal Direct Loans has already been exhausted. For detailed private loan information, refer to the private loan guide under the forms and publications page of our website.



# Loan Eligibility

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- ◆ You must complete the Free Application for Federal Student Aid (FAFSA) each academic year. (For Federal Loans)
- ◆ You must Complete a CA DREAM Application each year (for DREAM Loans)
- ◆ You must be a US citizen or an eligible non-citizen. (For Federal Loans)
- ◆ You must be enrolled at least half-time (6 units).
- ◆ Eligibility for Federal Direct Unsubsidized Loans, PLUS loans and Private loans is not need based.

# How To Apply

## Subsidized and Unsubsidized Loans

Students who submit a FAFSA will receive notification of their loan eligibility via their Financial Aid Notification (FAN) on MyUCLA.

Loans must be accepted via the student's FAN. First time borrowers must also complete a Master Promissory Note and Loan Entrance Counseling. Direct loans will not disburse until these have been completed.

### Subsidized and Unsubsidized Loan Documents

- ◆ For First time Borrowers only.
- 1. Loan Entrance Counseling is completed on with the U.S. Department of Education at: <https://studentaid.gov>
- 2. The Master Promissory Note is completed at: <https://studentaid.gov/mpn>

## Parent PLUS Loans

The PLUS loan must be accepted on the FAN, then one of the student's parents must complete additional application steps.

### Parent PLUS Loan Documents

- ◆ The students parent must request a PLUS Loan at: <https://studentaid.gov> A new request must be completed each year.
- ◆ The parent must also complete a Master Promissory Note on the same website. <https://studentaid.gov/mpn> This requirement is for first time borrowers only, with the exception of Loans approved with an endorser.

# PLUS Loan Credit Requirements

A Federal Direct Parent PLUS Loan applicant is considered to have an adverse credit history if he or she:

- ◆ Is 90 or more days delinquent on any debt as of the date of the credit report, or
- ◆ Has been the subject of a default determination, bankruptcy discharge, foreclosure, repossession, tax lien, wage garnishment or write-off of debt under Title IV of Higher Education Act during the 5 years preceding the date of the credit report.
- ◆ Has unpaid collection accounts and/or charge-offs as of the date of the credit report.
- ◆ If the parent is denied a PLUS loan due to adverse credit, and the family chooses not to appeal the decision or proceed with an endorser, UCLA Financial Aid and Scholarships will award the student additional unsubsidized loan funds.

### Approval on Appeal or with an Endorser:

Borrowers who have adverse credit but are approved for a Direct Parent PLUS Loan as a result of appealing the credit decision or applying with an endorser are subject to a new counseling requirement. This new PLUS credit counseling module must be completed at <https://studentaid.gov>

## CA DREAM Loans

Students who submit a California DREAM Application and meet AB540 Criteria will receive notification of their loan eligibility on their FAN. Students must accept the loan on their FAN and complete their loan documents through the UCLA Loan Office.

### DREAM Loan Documents

- ◆ The Debt Management Session is completed on the UCLA Loan office website [www.loans.ucla.edu/E-Sign-Portal](http://www.loans.ucla.edu/E-Sign-Portal)
- ◆ The Promissory Note is completed on paper, students will receive loan documents from Student Loan Services. A new Promissory Note needs to be completed annually.



separate PLUS loan disbursements from other financial aid when refunds are processed. If the parent borrower wishes to have any excess PLUS loan funds refunded to them directly rather than to the student, please contact Financial Aid and Scholarships directly for instructions on that process. Please be aware that separating refunds in this way will take longer, as it requires paper processing of the PLUS loan funds. Additionally, PLUS disbursements will not be automatically applied to the students BruinBill balance. The family will be responsible for depositing the loan check and making payment directly to UCLA.

## Repayment

Subsidized and Unsubsidized loans enter repayment six months after a student graduates or drops below half-time (grace period). Payments to the principal and interest on Federal Direct Unsubsidized Loans can be deferred while the student is in school and during the grace period (although interest will still accrue). Deferred interest will be capitalized (added to the principal) at repayment or the borrower can pay interest while in school.

A Parent PLUS loan will enter repayment 30 days after the final disbursement. Parents have the option to defer payment until after their dependent student graduates or drops below half time enrollment by contacting their loan servicer.

The standard repayment period for all Federal loans is 10 years but can be extended. Please go to <https://studentaid.gov> for information about different repayment plan options, deferments and forbearances available through the Department of Education.

## Loan Fees and Interest Rates

Loan Type	Interest Rate	Interest Rate Period	Origination Fee	Loan Period
Subsidized/ Unsubsidized	2.75%	July 1, 2020— June 30, 2021	1.057%	October 1, 2020- September 30, 2021
PLUS	5.30%	July 1, 2020— June 30, 2021	4.228%	October 1, 2020- September 30, 2021

## LOAN DISBURSEMENTS

The total loan amount you accept on your FAN will be divided equally among the terms for which you have been awarded.

Your loan will be disbursed to your BruinBill account at the start of each quarter. Any funds remaining after your Bruin Bill balance is paid will be refunded to the student.

We recommend that students sign up for Bruin Direct Via their BruinBill on MyUCLA. This will allow any refund to be direct deposited to your bank account, rather than being processed as a paper check. Paper checks are processed once a week on Thursdays, rather than daily.

Please note that UCLA Student Accounts is unable to



# ANNUAL LOAN LIMITS

Loan limits for graduating seniors, who will not be enrolled for the entire academic year will be prorated, resulting in lower than the annual maximum eligibility being awarded.

Grade Level	Federal Direct Subsidized Loan Maximum	Federal Direct Unsubsidized Loan Maximum*	TOTAL Annual Maximum**
Freshman	\$3,500	Dependent = \$2,000 Independent = \$6,000	Dependent = \$5,500 Independent = \$9,500
Sophomore	\$4,500	Dependent = \$2,000 Independent = \$6,000	Dependent = \$6,500 Independent = \$10,500
Junior/Senior	\$5,500	Dependent = \$2,000 Independent = \$7,000	Dependent = \$7,500 Independent = \$12,500
Undergrad Aggregate Loan Limits	\$23,000		Dependent = \$31,000 Independent = \$57,500

- ◆ Students whose parents do not qualify for a Parent PLUS Loan are eligible to receive unsubsidized loan at the independent student maximum, not to exceed cost of attendance.
- ◆ Students who do not qualify for a Federal Direct Subsidized Loan are eligible to receive Federal Direct Unsubsidized Loans up to their respective total annual maximum loan limits, not to exceed cost of attendance.

## Contacts

### Financial Aid and Scholarships

A-129 Murphy Hall

(310) 206-0400

[www.financialaid.ucla.edu](http://www.financialaid.ucla.edu)

Message Center

<http://financialaid.ucla.edu/Contact-US>

### Student Loan Services

A-227 Murphy Hall

(310) 825-9864

[www.loans.ucla.edu](http://www.loans.ucla.edu)

### Student Financial Services

1125 Murphy Hall

(310) 825-9194

[www.sfs.finance.ucla.edu](http://www.sfs.finance.ucla.edu)

### Federal Loan Processing Center

(800) 557-7394

<https://studentaid.gov>

